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Note verbale dated 28 February 2017 from the Permanent Mission of France to the United Nations addressed to the Chair of the Committee

The Permanent Mission of France to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to transmit herewith the report of France regarding implementation of resolution 2321 (2016) in accordance with paragraph 36 thereof (see annex).

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Annex to the note verbale dated 28 February 2017 from the Permanent Mission of France to the United Nations addressed to the Chair of the Committee

Report of France to the Security Council on measures taken to implement resolution 2321 (2016)

I. Introduction

Resolution 2321 (2016) substantially reinforces the sanctions regime, already strengthened the same year by resolution 2270 (2016), against the Democratic People's Republic of Korea. It clarifies and significantly strengthens the regime established by previous resolutions, including by restricting exports of coal from the Democratic People's Republic of Korea and by broadening the scope of existing measures to sectors beyond strict non-proliferation (obligations to inspect cargo, new banking measures, a ban on the transfer of new vessels and aircraft to the Democratic People's Republic of Korea, and a ban on exports of non-ferrous metals and statues). The resolution includes 11 new individuals and 10 new entities associated with illicit programmes on the sanctions list.

In paragraph 36 of resolution 2321 (2016), the Security Council:

> *Calls upon* all Member States to report to the Security Council within 90 days of the adoption of this resolution, and thereafter upon request by the Committee, on concrete measures they have taken in order to implement effectively the provisions of this resolution, *requests* the Panel of Experts established pursuant to resolution 1874 (2009), in cooperation with other United Nations sanctions monitoring groups, to continue its efforts to assist Member States in preparing and submitting such reports in a timely manner.

In accordance with these provisions, France wishes to bring to the attention of the Security Council the measures taken to implement the resolution.

(a) The European Union introduced restrictive measures against the Democratic People's Republic of Korea on 22 December 2006, following that country's first nuclear test, and all Security Council resolutions are transposed into European Union law through the regulations and directives of the Council of the European Union. Additional measures have also been taken independently by the European Union. They target nuclear weapons programmes, nuclear programmes and other weapons of mass destruction and ballistic missile-related programmes of the Democratic People's Republic of Korea. The measures include prohibitions on the export and import of weapons, goods, services and technologies that could contribute to those programmes.

By Decision (CFSP) 2016/849 of 27 May 2016, the Council of the European Union took steps to implement Security Council resolution 2270 (2016), in particular:

- Strengthening trade embargoes and prohibiting the sale of petroleum products and luxury goods to the Democratic People's Republic of Korea, including the procurement of coal, iron, iron ore, gold, titanium ore, vanadium ore and rare

earth minerals from the Democratic People's Republic of Korea and any public financial support for trade with the Democratic People's Republic of Korea;

- Prohibiting the supply, sale or transfer to the Democratic People's Republic of Korea of further items, materials or equipment related to dual-use goods and technologies;

- Preventing any financial transactions with the Democratic People's Republic of Korea, except in certain predefined cases subject to prior authorization;

- Prohibiting all investments by the Democratic People's Republic of Korea in the European Union and prohibiting nationals and entities of the European Union from investing in the mining, refining and chemical sectors as well as in any entities engaged in the illegal programmes of the Democratic People's Republic of Korea;

- Denying any aircraft operated by a carrier of the Democratic People's Republic of Korea or originating from that country permission to land in, take off from or overfly any European Union territory, prohibiting the entry into European Union ports of any vessel that is owned, operated or crewed by the Democratic People's Republic of Korea, establishing inspections for all cargo to and from the Democratic People's Republic of Korea, or brokered or facilitated by the Democratic People's Republic of Korea or its nationals or persons or entities acting on their behalf, and the seizure and destruction of prohibited items.

On 27 February 2017, the Council adopted Regulation (EU) 2017/330 and Decision (CFSP) 2017/345 transposing the measures introduced by resolution 2321 (2016) against the Democratic People's Republic of Korea, including:

- A ban on the export of new helicopters and vessels to the Democratic People's Republic of Korea;

- A ban on imports of copper, nickel, silver and zinc and also on statues from the Democratic People's Republic of Korea;

- Restrictions on transactions in coal, iron and iron ore from the Democratic People's Republic of Korea;

- Tightening the restrictions in force in the transport and financial sectors, such as prohibiting a diplomatic mission of the Democratic People's Republic of Korea or a diplomat of that country from holding more than one bank account in the European Union and deregistering any vessel that is owned, controlled or operated by the Democratic People's Republic of Korea;

- Restrictions on the use by the Democratic People's Republic of Korea of real property in the European Union.

The additional 11 individuals and 10 entities designated pursuant to Security Council resolution 2321 (2016) have been included in the list of individuals and entities subject to an assets freeze and to travel restrictions by Decision (CFSP) 2016/2217 of the Council of the European Union, adopted on 8 December 2016.

(b) At the national level, France has strengthened its domestic law by means of the Act of 14 March 2011 on combating the proliferation of weapons of mass

destruction and their delivery systems. In particular, this Act establishes the financing of proliferation as a separate offence.

The present report describes the measures taken by France pursuant to resolution 2321 (2016), as a complement to European legislation.

II. Embargo and asset freeze

A. Embargo on arms and related materiel

The export from France of war materiel is strictly controlled, in particular by article L2335-2 of the Defence Code, which:

Prohibits the export, without prior authorization, of war materiel and related items to non-members of the European Union and the territories outside the customs territory of the European Union.

The administrative authority establishes the list of war materiel and related items subject to prior authorization and exceptions to this authorization.

The scope of this prohibition is defined by the Decree of 27 June 2012, as amended, which repeats the items in the Common Military List of the European Union and adds space-related items and technologies. The law provides for criminal penalties in cases of failure to comply with the legislative and regulatory provisions concerning the export of war materiel and related items (Defence Code, art. L2339-11).

Export licences, which constitute an exception to that prohibition, may be issued only on completion of an interministerial review procedure. However, in the light of Security Council resolution 1718 (2006), Council of the European Union Decision 2016/849 and amended Council Regulation (EC) No. 329/2007, the interministerial commission to review exports of war materiel would reject any application for a licence to export war materiel to the Democratic People's Republic of Korea. Nonetheless, no French company has sought a licence to export such items to that country for many years.

B. Embargo on nuclear-, ballistic missile- or other weapons of mass destruction-related items or technology

Under the interministerial procedure for reviewing applications for licences to export dual-use items, all applications for licences to export items listed in Council Regulation (EC) No. 428/2009 of 5 May 2009 (last amended by delegated Council Regulation (EU) No. 2016/1969 of 12 September 2016) are denied.

C. Embargo on luxury goods

All French business operations have access to RITA, the national comprehensive listing of tariffs, which reflects the provisions of amended Council Regulation (EC) No. 329/2007 (list of luxury goods in annex III) and the tariff database of the European Community.

The French customs services systematically certify that exports to the Democratic People's Republic of Korea do not include items listed in annex III of

amended Council Regulation (EC) No. 329/2007. If the merchandise being exported is confirmed as appearing on the list in annex III, its export is prohibited.

D. Freezing of funds and economic resources

Banks and financial institutions in France are informed of European Union measures regarding the designation of individuals and entities via, inter alia, the Official Journal of the European Union, the consolidated list of financial sanctions of the European Union and the website of the Department of the Treasury, which has a dedicated page on the sanctions regime against the Democratic People's Republic of Korea and a single list of freezing measures applicable in France. They are required to implement these measures without delay.

Article L562-2 of the Monetary and Financial Code allows the Minister of Economic Affairs to freeze, for a period of six months renewable, all or part of the funds, financial instruments and economic resources held by individuals and entities designated by the Security Council or by the European Union. The freeze was implemented by a decree of the Minister of the Economy and Finance of 1 December 2016 against individuals and entities designated pursuant to resolution 2321 (2016), pending the adoption of European Union legislation.

E. Denial of entry into the territory

Since the announcement of the nuclear test carried out on 9 October 2006, France has severely restricted access to its territory by nationals of the Democratic People's Republic of Korea. Under European Union legislation, nationals of the Democratic People's Republic of Korea are required to have a visa in order to enter the Schengen Area and the issuance of visas to persons designated by the Council of the European Union is prohibited. Visa applications from non-listed persons with high-level State or Party responsibilities are examined by the French authorities on a case-by-case basis and, barring some exceptions, are denied.

F. Inspection of cargo shipped to or from the Democratic People's Republic of Korea

At the national level, special control measures applicable to trade from and to the Democratic People's Republic of Korea have been implemented by the French customs authorities. These measures apply to exports to or imports from the Democratic People's Republic of Korea of weapons and goods which could contribute to nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes. In addition, the fraud monitoring system is alerted to any shipments of prohibited items that may be transported by sea to or from the Democratic People's Republic of Korea.

III. Financial sanctions

A. Prevent all new commitments for grants, financial assistance or concessional loans to the Democratic People's Republic of Korea

France provides no financial assistance or concessional loans, either individually or through its participation in international financial institutions, to the

Democratic People's Republic of Korea, except in cases determined by the Security Council.

B. Obligation not to provide public financial support for international trade which could contribute to the nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes of the Democratic People's Republic of Korea

France has closed its credit insurance policy to the Democratic People's Republic of Korea.

IV. Diplomatic measures

France does not maintain diplomatic relations with the Democratic People's Republic of Korea.

V. Measures targeting scientific and technical cooperation

A. Prevent nationals of the Democratic People's Republic of Korea from receiving specialized teaching or training in disciplines which could contribute to prohibited programmes or activities

There is no scientific or technical cooperation between France and the Democratic People's Republic of Korea in the fields of nuclear science and technology, aerospace and aeronautical technologies, or advanced manufacturing production techniques and methods. At the request of the Ministry of Foreign Affairs and International Development, the Ministry of National Education, Higher Education and Research will provide general information to institutions about the provisions of resolution 2321 (2016).

B. Suspension of scientific and technical cooperation

At the request of the Ministry of Foreign Affairs and International Development, the Ministry of National Education, Higher Education and Research will establish a procedure for the higher education institutions concerned to provide notification of their scientific and technical cooperation activities with the Democratic People's Republic of Korea.

There is cooperation in the field of archaeology and the Committee will receive notification thereof.